



Sept 11, 2017

**TO:** Children, Families, Health, and Human Services Interim Committee

**FROM:** Larry Noonan, CEO  
A.W.A.R.E., Inc.

**RE:** Support the Formal Objection to Recent DPHHS MAR Notices

We urge you to support the formal objection to the recent DPHHS MAR notices, which propose Medicaid provider rate reductions to levels far below what the Legislature has indicated.

The proposed cuts won't realize the savings they intend to produce. Instead, costs will shift to other areas of the already fragile health care system: we will see increased law enforcement encounters, increased incarcerations, increased emergency room visits, increased child and adult protective services caseloads, increased group home or other residential placements for people with mental illness and/or developmental disabilities, increased pressure on foster care system and correctional facilities, and increased placements into the extremely expensive institutions of the Montana State Hospital and Montana Developmental Center.

The ramifications of these cuts could take decades to reverse the harm they will inflict to communities, individuals, and their families; in many cases, missed opportunities for early intervention could result in permanent harm.

AWARE provides an array of services to youth and adults with disabilities across the state of Montana. These services include psychiatry, outpatient therapy, case management, other in-home supports, and group home services. Our goal is to provide the right services as early as possible so that people with disabilities can live as independently as possible. Not only do we value people being able to live independently in communities across Montana, kids being able to successfully participate in school, adults having meaningful work opportunities, and families staying together; the community-based services that we provide cost less than alternatives of out-of-home and out-of-state placements that we strive to avoid.

Montana's system of care for people with mental health needs has taken decades to develop. Case management is an integral part of this system; each case manager performs the role of linking people to services so that they can be successful in living as independently as possible. More importantly, people receiving case management are more likely to follow through with treatment recommendations, which results in better outcomes for the individual in treatment and ultimately less cost to taxpayers. Improvements can be made to this system to improve outcomes; however, the extraordinary cuts to community-based services, including the 41% cut to youth mental health targeted case management, will effectively dismantle this system



of care. Also, other Medicaid rates for mental health services (psychiatry, outpatient therapy, etc) are already far below the costs to provide these services. Further reducing these rates only exacerbates Montana's struggles with mental health.

The Montana DD (0208 waiver) program's community-based services are already unstable. Providers are already struggling to cover ever-increasing costs, and are struggling to provide direct care wages and benefits to attract and retain the proper workforce. When qualified staff are unavailable and providers shut down services in certain communities, then there are simply less alternatives for people with disabilities to live successfully in the least intrusive and least costly levels of care.

DD providers have proposed methods to improve client-outcomes and increase provider's flexibility to deliver services when they're needed, and still operate within appropriated funding levels; these proposals have been ignored or rejected without effective alternatives being presented. Instead, we have these proposed ARMs that will only further impair a system of care that is already struggling. The 2017 Legislature recognized this crisis, so rejected funding cuts to the DD system in HB2 (DP555); however, the department has proposed a greater percentage reduction to the DD system as compared to other programs.

The ultimate effect of these ARMs, if implemented, will equate to a sizeable reduction in provider staff and a reduction in community-based service opportunities for people with disabilities; these community-based options are less-costly than alternative higher levels of care that the same people are entitled to receive. Not only do the proposed Medicaid cuts set poor policy, but they won't realize the savings intended.

We welcome a dialogue with DPHHS and the Legislature to leverage state funding, support a viable provider network, and ultimately improve the disability systems of care. Again, we urge you to object to these Medicaid provider rate cuts and find another way.